

CONNECTICUT TECHNICAL EDUCATION AND CAREER SYSTEM BOARD

Minutes of the February 27, 2018 Meeting of the of the Sub Committee on Outreach and Finance

Pursuant to notice filed with the Secretary of State, the Connecticut Technical Education and Career System Board Committee on Outreach and Finance met on February 27, 2018 at H.C. Wilcox Technical High School, 298 Oregon Road, Meriden, CT

I. Call to Order

Commissioner Jackson called the meeting to order at 11:00 AM.

Present: Commissioner Scott Jackson, Chairperson of the Outreach and Finance Committee
Robert Trefry, Chairperson of the CTECS Board
Patricia Keavney, Vice-Chairperson of the CTECS Board
Andrea Comer, Committee Member
James Chasse, CTECS Education Consultant
Jeffrey Wihbey, Superintendent of the CTECS
Commissioner Catherine Smith, Committee Member
Gina Chiarella, Committee Member
Elliot Ginsberg, President and Chief Executive Officer at the CT Center for Advanced Technology
Kathy Demsey, Chief Financial Officer
Beatrice Tinty, CTECS Education Consultant

Absent: Fitz Walker, Committee Member

II. Public Participation

There was no public participation. Association

III. Consideration of Minutes of the January 16, 2018 Meeting

Commissioner Jackson moved, Ms. Keavney seconded that the minutes of the January 16, 2018 meeting be approved.

Vote: In Favor: Chiarella, Comer, Keavney-Maruca, Trefry, Jackson,
Opposed: 0
Abstained: 0
Absent: Walker

Motion carried unanimously.

IV. Strategic Planning for the Connecticut Technical Education and Career System

A. CT Center for Advanced Technology, Inc. (CCAT) Outreach

Commissioner Jackson introduced Mr. Elliot Ginsberg, President and Chief Executive Officer of the CT Center for Advanced Technology to the Committee members who provided an update on outreach efforts.

Mr. Ginsberg spoke to the Board members about CCAT Dream It Do It initiative through the National Association of Manufacturing Institute and how the CTECS has partnered with CCAT over the last several years to promote manufacturing education. Mr. Ginsberg thanked Mr. Murphy for his collaboration in implementing these programs.

Mr. Ginsberg discussed CCATs efforts to promote manufacturing education in other school districts in CT. CCAT spearheads innovative approaches to enhance K-12 STEM education, career awareness, and workforce development. They create engaging, context-based curriculum, implement experiential student programming that introduces STEM careers, and offer professional development to help educators adapt to new national standards and transform their classrooms into active learning environments.

Mr. Ginsberg also discussed CCATs ability to support Connecticut's Manufacturing supply chain. CCAT is known nationally for applying innovative technology in their world-class Advanced Manufacturing Center, where leading-edge equipment and systems are showcased, demonstrated, and evaluated. With their team of experts and network of machining and software companies, they offer a broad expanse of capabilities to evaluate technologies and process improvements.

Mr. Ginsberg encouraged continued collaboration with the CTECS to promote manufacturing education in the State of CT.

The Committee members thanked Mr. Ginsberg for his presentation.

B. Expenditure & Revenue Report

Mr. Chasse provided an update on the latest information impacting the district's operating budget for fiscal years 2017-18 and 2018-19.

The latest biweekly review of the district's payroll operating account (SID 12519) has resulted in a significant reduction in the projected costs. In fact, CTECS is now anticipating a small surplus in this account. However, this projected surplus has been largely been achieved due to the large number of unfilled positions and the delayed transfer of staff from the State Department of Education (SDE) to the Connecticut Technical Education and Career System (CTECS) as explained below.

The original payroll budget included approximately \$1.7M for the transfer of up to twenty (20) staff persons from the SDE to the CTECS. To date, only four (4) of the twenty (20) positions have become the financial responsibility of the CTECS. Seven (7) of the remaining sixteen (16) are pending approval by OPM. The other nine (9) are expected to remain the financial responsibility of the SDE through at least the end of the current fiscal year. As a result of these delays, the CTECS will achieve approximate savings of \$1.2M. Absent of this fact, the district's payroll budget for the current fiscal year would be in the red by approximately \$1.1M.

An additional area of concern is the continued growth in potential payouts for non-lapsing vacation time as a result of the SEBAC vs. Rowland Settlement Agreement. As each case is settled, we receive notification through our Bureau of Human Resources of the individual awards. Currently, the district has sixteen (16) employees who are entitled to payouts which total in excess of \$622,000 if they were to all separate from state service. Additional settlements are expected which will further increase the potential exposure.

Mr. Chasse provided a summary of the latest available operating budget information by payroll, fuel and utilities, supplies and services. The payroll cost projections of approximately \$128.1MM includes funding for full-time (\$110.1MM), part-time (\$15.2MM) and other payroll costs (i.e. separation costs, overtime and longevity - \$2.8MM). It also reflects projected savings from state furlough days.

At this time, CTECs believes that the current operating budget for services and supplies will be sufficient to meet project costs. However, in years past, the district has utilized operating funds to “temporarily finance” various emergency infrastructure repair projects that were awaiting capital funding approval from the State Bond Commission. In light of the state’s continued fiscal challenges resulting in reduced capital funding, there is no guarantee that the capital funding will be received and compromises our ability to expedite numerous infrastructure repair projects.

On February 7, 2018, the Governor issued his proposed operating budget allotment adjustments for fiscal year 2018-19 which begins on July 1, 2018. As displayed in the chart that follows, the CTECS would receive approximately \$1.8M more than was received in fiscal year 2017-18 operating budgets. However, as a result of the SEBAC 2017 agreement, **more than \$5.2M in new payroll costs** will be experienced during fiscal year 2018-19. These new projected costs include:

- \$3.2M for lump sum and/or top step bonuses to qualified employees;
- \$1.0M from the elimination of the three furlough days;
- \$0.7M for advanced degree stipends to qualified teachers/department heads;
- \$0.3M for the July 2018 longevity payments (delayed from April 2018)

As a result, CTECS is already projecting a deficit of approximately \$3.2M in the operating budget. However, the potential exists for further growth in the projected deficit for fiscal year 2018-19 if:

- The district does not maintain its current vacancy rate of approximately 190 full-time positions;
- The normal attrition rate of 3% - 4% is not achieved (which creates turnover savings);
- Any of the employees entitled to the Rowland Settlement opt to separate from state service;

The superintendent is working on the master schedule for the 2018-19 school year and recognizes that there may be the need for program and/or school consolidations unless additional funding is made available or the district is provided further relief on the recommended holdbacks.

C. CTECS Report of School Budgets

Section 10-99g (b) of the Connecticut General Statutes (C.G.S.), requires the superintendent of the technical high school system to semiannually submit the operating budget and expenses for each technical high school, in accordance with section 11-4a, to the Secretary of the Office of Policy and Management, the director of the legislative Office of Fiscal Analysis and to the joint standing committee of the General Assembly having cognizance of matters relating to education.

Superintendent Wihbey introduced Mr. Chasse to the Committee members who presented the CTECS report of school budgets and discussed the 2018 Budgets by School by category as of February 27, 2018. The schools have been directly allocated approximately 6.6 M to date.

Approximately \$9.9M is being retained in the central office to meet district wide obligations such as special education brokered services, professional development, textbooks, bus inspections/repairs, and building inspection and code compliance repairs.

As noted in the footnotes of the report, the current analysis does not include potential funding from federal grants (+/- \$6M), bond funds (+/- \$10M) and the CTHSS adult education extension fund.

The posting of the school budgets to the individual school websites as required by C.G.S. 10-99g (c) is pending at time of publication.

Mr. Chasse responded to questions the Committee members raised about the report of school budgets.

A copy of the CTECS Report of School Budgets is included in the official file of this meeting.

V. Adjourn

The meeting was adjourned at 12:25.

Prepared by: *Alane Curtis*

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Connecticut Technical Education and Career System